County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

X New / Change / Cancel	Vendor Code	SC	Dept.	A	Contract Number
County Department: Behavioral Health		Dept.: MLH	Orgn.: MLH		Contractor's License No.
County Department Contract Representative: Claudia Rozzi	Telephone: (909) 387-7577				Total Contract Amount: $24,981,236

Contract Type: ☐ Revenue ☐ Encumbered ☐ Unencumbered ☐ Other:

If not encumbered or revenue contract type, provide reason:

Commodity Code	Contract Start Date	Contract End Date	Original Amount	Amendment Amount
	07/01/2002	06/30/2003		

Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
AAA	MLH	MLH	200		10092824	$24,981,236

Project Name: SD/MC Acute Psychiatric Inpatient & Emergency Services

Estimated Payment Total by Fiscal Year

FY	Amount	I/D	FY	Amount	I/D
02/03	24,981,236				

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name: Arrowhead Regional Medical Center — hereinafter called

Address: 400 North Pepper Avenue, Colton, CA 92324-1817

Telephone: (909) 580-6160 — Federal ID No. or Social Security No.: 92-3076088

IT IS HEREBY AGREED AS FOLLOWS:

(*Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)*

WITNESSETH:

WHEREAS, the Board of Supervisors of San Bernardino County is the governing body of all county departments and functions involved in the provision of behavioral health services; and

WHEREAS, the San Bernardino County Department of Behavioral Health requires specific patient services in support of its Behavioral Health programs; and

WHEREAS, the San Bernardino County Arrowhead Regional Medical Center is willing to furnish specified services to the Department of Behavioral Health under the terms hereinafter set forth; and

NOW, THEREFORE, in consideration of mutual promises hereinafter contained, the parties hereto do mutually agree as follows:

INDEX

cjr: F:\FYz0203\ARMC\CON-ARMC-FY02-03Final.doc

I Definition of Terminology

A. Wherever in this document, and attachments hereto, the terms "contract" and/or "agreement" are used to describe the conditions and covenants incumbent upon the parties hereto, these terms are interchangeable.

B. Definition of May, Shall and Should. Whenever in this document the words "may," "shall" and "should" have been used, the following definitions apply: "may" is permissive; "shall" is mandatory; and "should" means desirable.

II Contract Supervision

The Director, Department of Behavioral Health (DBH), hereinafter referred to as Director, or designee, shall be the County employee authorized to represent the interests of the County in carrying out the terms and conditions of this contract. The Contractor shall provide, in writing, the names of the persons who are authorized to represent the Contractor in this agreement.

III Performance

A. Contractor shall provide up to a maximum of Twenty Three Thousand Eight Hundred Sixty (23,860) days of acute psychiatric inpatient services and psychiatric administrative inpatient days under this agreement, which are further described in the attached addendum, to all persons requesting services within the County area served by the Contractor.

B. Contractor shall provide up to a maximum of Seven Hundred Twenty Thousand (720,000) minutes of outpatient psychiatric emergency services, known as the "Psych AES Unit" under this agreement, which are further described in the attached addendum, to all persons requesting services within the County area served by the Contractor.

C. If, for any reason, information in the addendum conflicts with the basic agreement, then information in the addendum shall take precedence.

IV Funding

A. The maximum financial obligation of the County is limited by the available State and County funds for this agreement. The maximum financial obligation of the County under this agreement shall not exceed the sum of Twenty-Four Million Nine Hundred Eighty One Thousand Two Hundred Thirty-Six Dollars ($24,981,236.00), which represents the total of (1) the maximum County funding allocation to Contractor, (2) the Federal Short-Doyle/Medi-Cal funding allocation to Contractor, and (3) the DBH share of debt service to Contractor.

B. The maximum County funding allocation to Contractor for behavioral health care services furnished hereunder, unless adjusted downward as provided for in this agreement, is Seventeen Million Six Hundred Seventy-Five Thousand Five Hundred Dollars ($17,675,500.00), which consists of Net County Funds in the amount of Twelve Million Nine Hundred Ninety Six Thousand Dollars ($12,996,000.00) and County/State portion of Short-Doyle Medi-Cal in the amount of Four Million Six Hundred Seventy Nine Thousand Five Hundred Dollars ($4,679,500.00).

C. The Federal Short-Doyle/Medi-Cal allocation to Contractor hereunder is Four Million Six Hundred Seventy Nine Thousand Five Hundred Dollars ($4,679,500.00).

D. If the Contractor determines that the initial allocation for the Federal Short-Doyle/Medi-Cal funding is inadequate, the Contractor may transfer funds from the Net County funding allocation to the Federal Short-Doyle/Medi-Cal allocation, with the prior written approval of the Director or designee.

E. It is understood between the parties that the Schedule A, attached, is a budgetary guideline required by the State of California. However, the maximum financial obligation of County under this Agreement is limited by mode of service reported on Schedule A. Funds may not be transferred between modes of service without the prior written approval of the Director or designee. The Contractor may submit a new Schedule A prior to April 15th of each fiscal year.

F. Contractor agrees to accept a reduction of the dollar value of this contract, at the option of the County, if the annualized projected minutes of time for any mode of services based on a fiscal year's claims submitted through February of each year, is less than 90% of the projected minutes of time for the modes of service as reported on Schedule A or as revised and approved by the Director in accordance with Article IV, Paragraph E., above.

G. If the annualized projected minutes of time for any mode of service, based on fiscal year claims submitted through February of each year is greater than/or equal to 110% of the projected minutes of time reported on Schedule A, or as revised and approved by the Director or designee in accordance with Article IV, Paragraph E., above, the County and Contractor agree to meet and discuss the possibility of renegotiating this agreement to accommodate the additional minutes of time provided.

H. If the Contractor provides services under the Short-Doyle/Medi-Cal program and if the Federal government reduces its participation in the Short-Doyle/Medi-Cal program, the County agrees to meet with Contractor to discuss the possibility of renegotiating the total minutes of time required by this agreement.

I. Contractor shall be reimbursed by the Department of Behavioral Health for additional capital lease costs in excess of the State of California Schedule of Maximum Reimbursement Rates for the Behavioral Health Unit patients who are County-sponsored patients (Short-Doyle). The agreed upon payment for the additional capital lease costs is figured as follows:

For the fiscal year ending June 30, 2003, the total Debt Service to the Contractor is projected to be $52,524,692. The Behavioral Health portion is $5,252,026, or approximately 10% of the total based upon square feet. The percent of County-sponsored patients is approximately 50%. Therefore, the amount of additional capital lease costs to be paid by the Department of Behavioral Health to Contractor for the fiscal year ending June 30, 2003 is $2,626,236.

V Payment

A. In accordance with State of California audit/reimbursement policies, the County agrees to compensate Contractor for actual costs incurred by Contractor or actual claimed costs incurred by Contractor in performing the services described by this agreement up to the maximum financial obligation, as described in Article IV Funding, and as limited by the State of California Schedule of Maximum Allowance (SMA) Reimbursement Rates, latest edition or agreed upon unit of service, which ever is less.

B. Such actual costs or actual claimed costs shall be determined by a post contract audit, which is described in Article VII Final Settlement: Audit.

C. Pending a final settlement between the parties based upon the post contract audit, it is agreed that the parties shall make a preliminary cash settlement within 30 days of the expiration date of this agreement as described in Article VI Preliminary Settlement: Cost Report.

D. During the term of this agreement, the County shall make interim payments to Contractor on a monthly basis. Payments will be made for the units of service provided at the rates identified in Exhibit A, attached.

E. Contractor shall bill County monthly in arrears for additional capital lease costs, as well as Net County and Federal Short-Doyle/Medi-Cal services provided by Contractor, on claim forms provided by County. All claims submitted shall clearly reflect all required information specified regarding the services for which claims are made. Each claim shall reflect any and all payments made to Contractor by, or on behalf of, patients. Claims for Reimbursement shall be completed and forwarded to County within ten days after the close of the month in which services were rendered. Within a reasonable period of time following receipt of a complete and correct

monthly claim, County shall make payment in accordance with Article V, Paragraph D., above.

F. No single monthly payment for services shall exceed one-twelfth of the maximum contract obligation unless there have been payments of less than one-twelfth of such amount for any prior month of the agreement. To the extent that there have been such lesser payments, then the remaining amount (s) may be used to pay monthly services claims which exceed one-twelfth of the maximum contract amount.

G. Contractor shall input Charge Data Invoices (C.D.I.'s) into the San Bernardino Information Management On-line Network (SIMON) by the fifth (5th) day of the month for the previous month's services. Contractor will be paid based on Medi-Cal claimed services in SIMON for the previous month, except for the first month's claim for reimbursement which will be paid at one-twelfth (1/12) of the Medi-Cal contract amount. Services cannot be billed by the County to Medi-Cal until they are input into SIMON. Other than the first month's services, the County will not fund services that are not entered into SIMON.

VI Preliminary Settlement: Cost Report

A. Not later than 30 days after the expiration date or termination of this contract, unless otherwise notified by County, the Contractor shall provide the County Department of Behavioral Health with a complete and correct annual standard State of California Cost Report and a complete and correct State of California Cost Report for Short-Doyle/Medi-Cal services, when appropriate, except as noted in Article VI, Paragraph B., below.

B. These cost reports shall be the basis upon which a preliminary settlement will be made between the parties to this agreement. In the event of termination of this contract by Contractor pursuant to Article VIII Duration and Termination, Paragraph C., the preliminary settlement will be based upon the actual days and hours of service which were provided by Contractor pursuant to this contract. The preliminary settlement shall not exceed One Million Five Hundred Thousand Dollars ($1,500,000.00) multiplied by the actual number of months or portion thereof during which this contract was in effect.

C. Notwithstanding Article VII Final Settlement: Audit, Paragraph E., County shall have the option:

1. To withhold payment, or any portion thereof, pending outcome of a termination audit to be conducted by County;

2. To withhold any sums due Contractor as a result of a preliminary cost settlement, pending outcome of a termination audit or similar determination

regarding Contractor's indebtedness to County and to offset such withholdings as to any indebtedness to County.

D. The cost of Medi-Cal services rendered shall be adjusted to the lowest of the following:

1. Actual costs;

2. Actual Short-Doyle/Medi-Cal charges;

3. Maximum cost based upon the State of California Schedule of Maximum Reimbursement Rates for units of service provided for each service function; or,

4. Maximum contract amount.

E. In the event the Contractor fails to complete the cost report(s) when due, the County may, at its option, withhold any monetary settlements due the Contractor until the cost report(s) is (are) complete.

F. Only the Director or designee may make exception to the requirement set forth in this Article VI, Paragraph A., above, by providing the Contractor written notice of the extension of the due date.

G. If the Contractor does not submit the required cost report(s) when due and therefore no costs have been reported, the County may, at its option, request full payment of all funds paid Contractor under Article V Payment of this agreement. Contractor shall reimburse the full amount of all payments made by County to Contractor within a period of time to be determined by the Director.

H. No claims for reimbursement will be accepted by the County after the cost report is submitted.

VII Final Settlement: Audit

A. Contractor agrees to maintain and retain all appropriate service and financial records for a period of at least five years, or until audit findings are resolved, which ever is later. This is not to be construed to relieve Contractor of the obligations concerning retention of medical records as set forth in Article XVIII Medical Records, Paragraphs A. and B.

B. Contractor agrees to furnish duly authorized representatives from County and State access to patient/client records and to disclose to State and County representatives all financial records necessary to review or audit contract services and to evaluate

the cost, quality, appropriateness and timeliness of services. Said County or State representative shall provide a signed copy of a confidentiality statement similar to that provided for in Section 5328(e) of the Welfare and Institutions Code, when requesting access to any patient records. Contractor will retain said statement for its records.

C. If the appropriate agency of the State of California, or the County, determines that all, or any part of, the payments made by County to Contractor pursuant hereto are not reimbursable in accordance with this agreement, said payments will be repaid by Contractor to County. In the event such payment is not made on demand, County may withhold monthly payment on Contractor's claims until such disallowances are paid by Contractor and/or County may terminate and/or indefinitely suspend this agreement immediately upon serving written notice to the Contractor.

D. The eligibility determination and the fees charged to, and collected from, patients whose treatment is provided for hereunder may be audited periodically by County and the State Department of Mental Health.

E. If a post contract audit finds that funds reimbursed to Contractor under this agreement were in excess of actual costs or in excess of claimed costs (depending upon State of California reimbursement/audit policies) of furnishing the services, or in excess of the State of California Schedule of Maximum Allowances, the difference shall be reimbursed on demand by Contractor to County using one of the following methods, which shall be at the election of the County:

1. Payment of total.

2. Payment on a monthly schedule of reimbursement.

3. Credit on future claims.

F. If the Contractor has been approved by the County to submit Short-Doyle/Medi-Cal claims, audit exceptions of Medi-Cal eligibility will be based on a statistically valid sample of Short-Doyle/Medi-Cal claims by mode of service for the fiscal year projected across all Short-Doyle/Medi-Cal claims by mode of service.

G. If there is a conflict between a State of California audit of this agreement and a County audit of this agreement, the State audit shall take precedence.

VIII Duration and Termination

A. The term of this agreement shall be from July 1, 2002, through June 30, 2003, inclusive.

B. This agreement may be terminated immediately by the Director at any time if:

1. The appropriate office of the State of California indicates that this agreement is not subject to reimbursement under law; or

2. There are insufficient funds available to County; or

3. The Contractor is found not to be in compliance with any or all of the terms of the following Articles of this agreement: XI Personnel, XII Licensing and Certification.

C. Either the Contractor or Director may terminate this agreement at any time for any reason or no reason by serving 30 days' written notice upon the other party.

D. This agreement may be terminated at any time without 30 days' notice by the mutual written concurrence of both the Contractor and the Director.

IX Accountability - Revenue

A. Total revenue collected pursuant to this agreement from fees collected for services rendered and/or claims for reimbursement from the County cannot exceed the cost of services delivered by the Contractor. In no event shall the amount reimbursed exceed the cost of delivering services. The parties agree to mutually work together to resolve treatment issues and/or to secure appropriate reimbursements from other local mental health plans for services provided to any Out-of-County consumer.

B. Charges for services to either patients or other responsible persons shall be at estimated actual costs.

C. If this agreement is terminated, all revenue received from any source during the operative period of this agreement must be reported to the County until the Contractor has submitted its cost report in accordance with Article VI Preliminary Settlement: Cost Report.

D. Contractor agrees to collect Physicians' Services Medicare Revenue. Projected annual Medicare revenue to be collected during each fiscal year period is One Million Four Hundred Five Thousand Dollars ($1,405,000.00), which is shown on Line 5-D of the attached Schedule A budget. Contractor acknowledges that it is obligated to report all revenue received from any source, including Medicare revenue, in its

monthly claim for reimbursement, pursuant to Article V Payment, and in its cost report in accordance with Article VI Preliminary Settlement: Cost Report.

X Patient/Client Billing

A. Contractor shall exercise diligence in billing and collecting fees from patients for services under this agreement.

B. The State of California "Uniform Method of Determining Ability to Pay" (UMDAP) shall be followed in charging clients for services under this agreement.

C. The State of California "Uniform Billing and Collection Guidelines" shall be followed in the billing and collecting of patient fees.

XI Personnel

Contractor shall operate continuously throughout the term of this agreement with at least the minimum number of staff as required by Title 9 of the California Code of Regulations for the mode(s) of service described in this agreement. Contractor shall also satisfy any other staffing requirements necessary to participate in the Short-Doyle/Medi-Cal program, if so funded.

XII Licensing and Certification

Contractor shall operate continuously throughout the term of this agreement with all licenses, certifications and/or permits as are necessary to the performance hereunder.

XIII Administrative Procedures

A. Contractor agrees to adhere to all applicable provisions of:

1. State Department of Mental Health Information Notices, and;

2. County Department of Behavioral Health Standard Practice Manual (SPM). Both the State Department of Mental Health Information Notices and County SPM are included as a part of this contract by reference.

B. If a dispute arises between the parties to this agreement concerning the interpretation of any State Department of Mental Health Information Notice or County SPM, the parties agree to meet with the Director to attempt to resolve the dispute.

C. State Department of Mental Health Information Notices shall take precedence in the event of conflict with the terms and conditions of this agreement.

XIV Laws and Regulations

Contractor agrees to comply with all applicable provisions of:

A. California Code of Regulations, Title 9

B. California Code of Regulations, Title 22

C. Welfare and Institutions Code, Division 5

D. Policies as identified in State policy letters and the Cost Reporting/Data Collection (CR/DC) Manual, latest edition.

XV Patients' Rights

Contractor shall take all appropriate steps to fully protect patients' rights, as specified in Welfare and Institutions Code Sections 5325 et seq.

XVI Confidentiality

Contractor agrees to comply with confidentiality requirements contained in the Welfare and Institutions Code, commencing with Section 5328.

XVII Admission Policies

A. Contractor shall develop patient/client admission policies, which are in writing and available to the public.

B. Contractor's admission policies shall adhere to policies that are compatible with Department of Behavioral Health service priorities, and Contractor shall admit clients according to federal and state regulations.

C. If Contractor is found not to be in compliance with the terms of this Article XVII, this agreement may be subject to termination.

XVIII Medical Records

A. Contractor agrees to maintain and retain medical records according to the following:

The minimum legal requirement for the retention of medical records is:

1. For adults and emancipated minors, seven years following discharge (last date of service);

2. For unemancipated minors, at least one year after they have attained the age of 18, but in no event less than seven years following discharge (last date of service).

B. Contractor shall ensure that all patient/client records comply with any additional applicable State and Federal requirements.

XIX Quality Assurance/Utilization Review

A. Contractor shall develop and implement a written quality assurance plan, which shall be submitted to the Department of Behavioral Health Quality Assurance Committee.

B. If the Contractor provides services under the Short-Doyle/Medi-Cal program, the Contractor shall develop and implement a written utilization review plan, which shall be submitted to the Department of Behavioral Health Utilization Review Committee.

XX Assignment

A. This agreement shall not be assigned by Contractor, either in whole or in part, without the prior written consent of the Director.

B. This contract and all terms, conditions and covenants hereto shall inure to the benefit of, and binding upon, the successors and assigns of the parties hereto.

XXI Conclusion

A. This agreement consisting of thirteen (13) pages, Schedule A, Exhibit A, Addendum I, and Attachment I, inclusive, is the full and complete document describing the services to be rendered by Contractor to County, including all covenants, conditions and benefits.

B. IN WITNESS WHEREOF, the Board of Supervisors of the County of San Bernardino has caused this agreement to be subscribed by the Clerk thereof, and Contractor has caused this agreement to be subscribed on its behalf by its duly authorized officers, the day, month, and year first above written.

_____ Date _____

RUDY G. LOPEZ, Director
County of San Bernardino
Department of Behavioral Health

_____ Date _____

MARK UFFER, Director
County of San Bernardino
Arrowhead Regional Medical Center

COUNTY OF SAN BERNARDINO

_____
(Print or type name of corporation, company, contractor, etc.)

► _____
Fred Aguiar, Chairman, Board of Supervisors

By ► _____
(Authorized signature - sign in blue ink)

Dated: _____

Name _____
(Print or type name of person signing contract)

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Title _____
(Print or Type)

Clerk of the Board of Supervisors
of the County of San Bernardino.

Dated: _____

By _____
Deputy

Address 400 North Pepper Avenue
Colton, CA 92324-1817

Approved as to Legal Form	Reviewed by Contract Compliance	Reviewed for Processing
► _____	► _____	► _____
County Counsel		Agency Administrator/CAO
Date _____	Date _____	Date _____

Auditor/Controller-Recorder Use Only

☐ Contract Database	☐ FAS
Input Date	**Keyed By**

SCHEDULE A
Page 1 of 1
Preparer: Ted Hibbard & Claudia Rozzi
Title: ARMC Chief Financial Officer
DBH Deputy Director of Admin Svcs

SAN BERNARDINO COUNTY
DEPARTMENT OF BEHAVIORAL HEALTH
MAXIMUM PLANNING ESTIMATE
FY 2002 - 2003

Provider No.: 86311
Contractor Name: Arrowhead Regional Med. Center
Address: 400 North Pepper
Colton, Calif 92324
Date Form Completed: 1/16/2003

	MODE OF SERVICE	05		15				TOTAL
	SERVICE FUNCTION	10 / 19		10-70				
1.	SALARIES	10,500,000	0	1,300,000				11,800,000
2.	BENEFITS	1,000,000	0	200,000				1,200,000
3.	OPERATING EXPENSES	10,000,000	0	800,000				10,800,000
4.	GROSS COST	21,500,000	0	2,300,000	0	0	0	23,800,000
5.	REVENUE							
A.	GRANTS							0
B.	PATIENT FEES	30,000	0	10,000				40,000
C.	PATIENT INSURANCE		0					0
D.	MEDI-CARE	1,300,000	0	105,000				1,405,000
E.	OTHER							0
6.	REVENUE SUBTOTAL	1,330,000	0	115,000	0	0	0	1,445,000
7.								
8.	MEDI-CAL ALLOCATION	8,600,000	0	759,000				9,359,000
9.	TOTAL REVENUE	9,930,000	0	874,000	0	0	0	10,804,000
10.	NET COUNTY FUNDS	11,570,000	0	1,426,000	0	0	0	12,996,000
A.	NET COUNTY COST							
B.	EPSDT	0	0	0	0	0	0	0
11.	CONTRACT AMOUNT *	20,170,000	0	2,185,000	0	0	0	22,355,000
12.	UNITS OF TIME (MIN)	23,860	0	720,000				
13.	CST/UNIT OF TIME * *	901.09	0.00	3.19	0.00	0.00	0.00	
14.	UNITS OF SERVICE	Days		Minutes				
15.	COUNTY ALLOC. * * *	15,870,000	0	1,805,500	0	0	0	17,675,500
16.	SD/MC FED ALLOC. * * * *	4,300,000	0	379,500	0	0	0	4,679,500
17.	SD/MC STATE/CO ALLOC. * * * * *	4,300,000	0	379,500	0	0	0	4,679,500

SMA RATES 10 = 838.20, 19 = 236.38 15 = $3.19 Weighted Avg. or 10-59 @ $2.28, 60 @ $4.23, 70 @ $3.41

* ALLOCATED REVENUE SUBTOTAL (LINE 8) + NET COUNTY FUNDS (LINE 10) = CONTRACT AMOUNT (LINE 11).
* * GROSS COST (LINE 4) DIVIDED BY MINUTES OF TIME (LINE 12) MAY = COST PER UNIT OF TIME (LINE 13).
* * * 50.00% OF SD/MC FEDERAL (LINE 8) + NET COUNTY FUNDS (LINE 10) = COUNTY ALLOCATION (LINE 15).
* * * * 50.00% OF SD/MC FEDERAL (LINE 8) = SD/MC FED ALLOCATION (LINE 16). (EFF: 10/02 - 9/03)
* * * * * 50.00% OF SHORT DOYLE/MEDI-CAL (LINE 8) = SD/MC STATE/COUNTY ALLOCATION (LINE 17) (EFF: 10/02-9/03).

Approved:	Provider Authorized Signature	Date	DBH Contracts Mgmt.	Date	DBH Program Manager	Date
	Edward S. Hibbard		Claudia Jeanne Rozzi		Terry Kramer	

ARROWHEAD REGIONAL MEDICAL CENTER
BEHAVIORAL HEALTH
Reporting Unit Provider No. 8611

NEGOTIATED AND/OR PROVISIONAL RATES FOR SHORT-DOYLE MEDI-CAL SERVICES

Monthly payments for Short-Doyle Medi-Cal services will be based on actual units of service reported on Charge Data Invoices times either the cost per unit of service based upon the **S**hort-Doyle/Medi-Cal **M**aximum **A**llowance (SMA) Reimbursement Rates listed below, or for Administrative Days the negotiated rates listed below.

Service Function Description	Rates Per Unit of Service	
	SMA	Schedule A Negotiated
24-Hour Services (Mode 05)		
Hospital Inpatient Day (10-18)	$838.20*	$838.20
Administrative Day (19)	$231.30**	$838.20
	$236.38***	$838.20
Denied Day	$0.00	$0.00
Outpatient Services in the "Psych AES Unit" (Mode 15)		
Mental Health Services (10-59)	$2.28*	$3.19****
Mental Health Services (60)	$4.23*	$3.19****
Mental Health Services (70)	$3.41*	$3.19****

When Contractor's FY 2001-2002 cost report (MH1950) is received by the Department of Behavioral Health in late 2002, the rates indicated in the FY2001-2002 report will be used or the **S**hort-Doyle/Medi-Cal **M**aximum **A**llowance (SMA) Reimbursement Rates, or the Schedule A Negotiated Rate listed above, whichever is less.

* FY2002/2003 SMA
** FY2002/2003 SMA July - August 2002
*** FY2002/2003 SMA August 2002 - June 2003
**** FY2002/2003 SMA Average Value of Services Function Codes 10-79

STATE OF CALIFORNIA-HEALTH AND WELFARE AGENCY

DEPARTMENT OF MENTAL HEALTH

NON-HOSPITAL PROVIDER COST REPORT
SCHEDULE I
COMPUTATION OF YEAR-END SETTLEMENT
FOR CONTRACTED SERVICES
MH 1950 (7/94)

PROGRAM TYPE I/P, O/P, PSX

COUNTY OF San Bernardino

TYPE OF ORGANIZATION: (CHECK ONE)
PROFIT
NONPROFIT

FISCAL YEAR 6/30/03

PROVIDER NAME Arrowhead Regional Medical Center

ACCOUNTING METHOD: (CHECK ONE)
CASH
ACCRUAL
MODIFIED ACCRUAL

PROVIDER'S FISCAL PERIOD ENDING 6/30/03

SHORT DOYLE
PROVIDER NUMBER 86311

FOR LESS THAN FISCAL YEAR IN SHORT-DOYLE ENTRY OR EXIT DATE

	1	2	3	4	5	6	7	8	9	10	
MODE OF SERVICE CODE	15	15	15	15							
SERVICE FUNCTION CODE	01-09	10-50	60	70							
1 SALARIES & EMPLOYEE BENEFITS											1
3 OPERATING EXPENSES											3
5 OTHER											5
11 GROSS COST											11
12 TOTAL MINUTES											12
14 COST PER MINUTE											14
16 SHORT-DOYLE MINUTES											16
18 COST OF SHORT-DOYLE MINUTES											18
20 REVENUE FROM SHORT/DOYLE MINUTES											20
22 GRANTS RECEIVED											22
24 PATIENT FEES											24
26 PATIENT INSURANCE											26
28 MEDI-CAL/FEDERAL											28
30 MEDI-CAL/NON-FEDERAL											30
32 MEDICARE											32
34 OTHER REVENUES											34
36 TOTAL REVENUE FROM SHORT/DOYLE MINUTES											36
38 NET COST OF S/D MINUTES											38
44 MAXIMUM CONTRACT AMOUNT											44
46 MAXIMUM COST SUBJECT TO REIMBURSEMENT											46
48 LESS: AMOUNT RECEIVED FROM COUNTY											48
50 BALANCE DUE (COUNTY) PROVIDER											50
86 UNITS OF TIME (1/4 HOUR)											86

SIGNATURE _____ DATE _____

EXHIBIT A

CB W:\W0078040.002

ARROWHEAD REGIONAL MEDICAL CENTER
BEHAVIORAL HEALTH (ARMCBH)
CLINICAL OPERATIONS

The following information outlines the agreements that the Department of Behavioral Health (DBH) and Arrowhead Regional Medical Center (ARMC) staffs have made regarding the transition and ongoing clinical operations responsibilities associated with the transfer of administration of the acute psychiatric Inpatient Unit.

I. STATEMENT OF INTENTION

ARMCBH and DBH are mutually committed to providing a high level of care to patients. Towards that end each party agrees to provide a smooth transition from inpatient care to outpatient care for each patient.

II. AGREEMENT REGARDING CLINICAL OPERATIONS

A. DBH SHALL

1. Provide consultation to ARMCBH Treatment Teams on community resources, placement options and legal status alternatives for all patients admitted to the ARMCBH.
2. Provide placement services & consultation regarding: licensed facilities including; State Hospitals, Institutes for Mental Disease, Augmented Board & Care Homes, Board & Care Homes, Homeless shelters and Crisis Residential Facilities These services will include consultation on alternatives, evaluation, referral and gate keeping.
3. Provide escorted transportation services for patients being discharged to licensed facilities, transferred to another acute care psychiatric facility and to those patients who cannot utilize other methods of transportation in accordance with established guidelines on how to access transportation services.
4. Provide LPS Conservatorship services including; consultation, investigations and filings for conservatorship in accordance with established guidelines.
5. Provide Intensive and Aggressive case management services to all discharged patients including; consultation, evaluation referral and linkage to the DBH system of care.
6. Provide case management services to the Psych Triage Unit and the Crisis Stabilization Unit including; consultation, evaluation referral and linkage to the DBH system of care.
7. Provide ARMCBH with day to day procedures on how to assess the above services.

B. ARMCBH SHALL

1. Provide DBH staff with access to patients, treatment teams and those medical records necessary to provide the agreed upon services.
2. Adhere to the established guidelines to be provided by DBH on accessing and utilizing the above services.

III. MANAGED CARE TRANSFERS

A. DBH SHALL

1. Monitor daily census, coordinate overflow and transfer overflow clients to and from FFS Hospitals. This includes all aspects of this process (e.g., arranging transportation, etc.)
2. Check insurance status.
3. Check SIMON Information.
4. Be liaison between FFS Hospital and ARMCBH Unit.
5. Coordinate all paperwork/facilitate this process.
6. Be available daily and on-call holidays and weekends. Maintain a daily log for transfer information.

B. ARMCBH UNIT

1. Shall select those patients most appropriate for transfer utilizing agreed upon selection protocols and provide this information to DBH.
2. Persons shall be on a W&I 5150 hold. (Persons on T-Con status and W&I 5250 are not appropriate).
3. Ensure client has Medi-Cal and/or Medi-Medi Insurance.
4. Ensure client is medically cleared.
5. Ensure client is on an appropriate legal status.
6. Ensure the Inpatient Managed Care Program and the FFS Hospital are notified.
7. Ensure process/transfer is to be documented in the client's chart and that a discharge packet is created and sent with client.

C. DBH AND ARMCBH SHALL

1. Provide the Patient with complete information and rationale for any transfers.
2. Assure that continuity of care should be maintained.
3. Assure that family involvement is stressed especially when adolescents are transferred.

IV. UTILIZATION REVIEW (UR) AND PAYMENT AUTHORIZATION

A. Overview

ARMC may conduct UR of all ARMCBH patient stays in accordance with all-applicable Federal and State regulations. For Medi-Cal patients specifically, at minimum, ARMC will comply with regulations described in Title 9, Chapter 11, including, but not limited to, documentation requirements, medical necessity and administrative day requirements, as well as required Utilization Review Committee activities. ARMC will be responsible for implementing all Federal and State mandated changes related to Utilization Review within the State/Federal mandated timeframe. ARMC will be responsible for performing the initial admission review to validate medical necessity for each patient admitted and will perform each continued stay review to validate continued medical necessity when the length of stay exceeds the previously assigned review interval.

1. ARMC will ensure that the Utilization Review Committee of the Medical Staff Organization conducts such regular review of the appropriateness of resource use as may be required by external regulatory agencies. At minimum, ARMC will comply with Title 9, Chapter 11, Section 1820.210 requirements. As required, records of such reviews will be provided to DBH to the extent permitted by law. ARMC will maintain a current Utilization Review Plan that meets the applicable requirements of the external regulatory agencies, at minimum, Title 9, Chapter 11 requirements.

2. DBH will provide ARMC all Utilization Review documents that describe all criteria used to evaluate the medical necessity of an admission and/or continued stay.

3. DBH will provide to ARMC Utilization Review all proposed changes in these criteria no less than thirty (30) days prior to their implementation. If such criteria are received by DBH less than thirty (30) days prior to implementation, DBH will provide same to ARMC upon receipt. ARMC will provide input as to the feasibility of proposed changes within fifteen (15) days of receipt. DBH will provide to ARMC Utilization Review copies of all applicable codes and regulations that apply to the establishment and/or application of medical necessity criteria. DBH will provide to ARMC the criteria and all other applicable documentation related to the reviews to be conducted by external regulatory agencies within one (1) week of DBH's receipt of same.

B. Medi-Cal Payment Authorization

1. ARMC will provide DBH with notice of each patient's admission within 24 hours of admission. ARMC will submit to DBH a Treatment Authorization Request for each patient admitted within 14 days of the patient's discharge. ARMC will submit to DBH documents from the patient's medical records as specified by DBH to substantiate the need for admission and continued stay.

2. DBH payment authorization for Medi-Cal and Indigent cases will be done retroactively after discharge upon receipt of the TAR and patient record and will be completed within 14 days of receipt from ARMC.

3. DBH patient day payment authorization will be granted per Title 9, Chapter 11: if written documentation has been provided to the MHP indicating that the beneficiary met the medical necessity reimbursement criteria for acute psychiatric inpatient hospital services for admission and each day of service in addition to requirements for timeliness of notification and any mandatory requirements of the contract negotiated between the hospital and the MHP.

4. Upon review, should medical necessity be questioned by DBH Authorization staff, the case will be referred to a DBH Physician Advisor, as appointed by the DBH Deputy Director of Medical Services, to make a determination. The Physician Advisor may contact the attending psychiatrist if clarification is needed to make the determination. That determination will be promptly communicated to ARMC via the TAR.

   Any ARMC medical or quality management staff may contact DBH staff for the purpose of discussion, clarification or problem resolution at any point in the process.

5. Should ARMC wish to utilize the formal appeal process, it may be initiated at any point within 90 days after the disputed determination has been made by sending a written appeal to the DBH Authorization Unit. The appeal will be forwarded to the DBH Deputy Director of Medical Services or designee for determination. The appeal decision will be rendered within 60 days of receipt. Should ARMC wish to appeal a case beyond the Deputy Director's review the case will be referred to the State Department of Mental Health, which has agreed to provide a representative to act as an independent arbitrator in binding arbitration.

C. Quality of Care

1. ARMC will conduct a regular ongoing program to assess the quality of care provided to patients treated at ARMCBH. In addition to ARMC's ongoing

program, at minimum, the ARMCBH UR Nurse will make quality-related referrals via the ARMC Quality Improvement system on a more immediate basis when issues are identified during the patients' hospital stays through the UR process.

2. DBH, as the Mental Health Plan (MHP) mandated by Title 9, Chapter 11, will have a Quality Management oversight role. Potential ARMCBH quality issues identified through the DBH Authorization process will be referred to the DBH Quality Management Committee immediately upon discovery. Informal feed back to ARMC about the referral will be provided to ARMC promptly. Should the DBH Quality Management committee verify the quality concern, ARMC will be notified officially with a request for ARMC to provide DBH with an explanation and/or plan of correction.

3. DBH may initiate concurrent review procedures at any time as part of its oversight function.

4. Upon initiation of concurrent review procedures, ARMC will issue Access Badges to all DBH AR/UR nurses who will participate in the concurrent review process. DBH AR/UR nurses will be granted daily access to the ARMCBH units for the purpose of conducting concurrent review of medical records and consulting DBH medical staff when clarification is needed regarding medical record documentation of continued stay.

D. Related Payment Agreements

1. DBH will pay for all costs incurred for ARMCBH hospital stays (Acute and Administrative Days) for all Medi-Cal and indigent patient admissions and continued stays in ARMCBH which meet the medical necessity criteria as described in Title 9, Chapter 11, Section 1820.205 and/or the Administrative Day criteria as described in Title 9, Chapter 11, Section 1820.220 and any additional requirements outlined in this document.

2. A computer listing of all Medi-Cal and indigent patient days not meeting Title 9, Chapter 11 medical necessity criteria will be forwarded to the DBH Business Office and DBH Fiscal Office on a monthly basis. Each day of Medi-Cal billing that does not meet Title 9 medical necessity criteria will be "backed out" by the DBH Business Office and ARMC's reimbursement will be adjusted accordingly by the DBH Administrative Services.

3. ARMCBH is to attend to the Administrative Days documentation requirements as established by the State (i.e., that the patient previously met the criteria for medical necessity during the hospital stay, that an appropriate non-acute treatment facility is not available, and that staff have followed additional Title 9 documentation requirements).

4. Reimbursement criteria for those administrative patient days not meeting Medi-Cal standards as documented in Title 9 (IVD1) will be mutually developed and agreed to by ARMC and DBH representatives. Pending development of such criteria, DBH will continue to reimburse for administrative circumstances per established DBH practice. Payment for non-Medi-Cal administrative days funded by realignment funds will be authorized for payment only if evidence of active problem resolution is documented in the medical record. In cases where placement is being sought in non-treatment facility, hospital days will be reimbursed only as long as need for continued care and placement has been documented and placement is actively being sought. In such instances, medical record documentation shall include a list of all placement facilities contacted, at minimum, every 5 days. The appeal mechanism outlined in IVB4&5 will be utilized to resolve any disagreements.

E. Joint Development of Operational Improvements

1. It will be the responsibility of DBH staff to train ARMC staff in the use of a tracking system and medical record documentation that addresses the Glendale Memorial Hospital court decision. The goal of DBH's training program and ARMC's subsequent documentation using the tracking system will be to eliminate administrative day denials for lack of appropriate documentation.

2. It will be the responsibility of ARMC Utilization Review and DBH Authorization staff to jointly develop and maintain written procedures that acknowledge the ongoing documentation required to maintain service authorization for three distinct periods of risk during any patient inpatient stay. Those periods of risk are defined as:

   a. During the first 72 hours after initiation of a 5150 hold.
   b. After the first 72 hours after initiation of a 5150 hold until patient no longer meets medical necessity for an acute inpatient stay.
   c. Patient no longer meets medical necessity for acute inpatient stay and is on an Administrative Day status awaiting placement in a long term care residential treatment facility.

3. It will be the responsibility of ARMC Utilization Review and DBH Authorization staff to jointly develop and maintain written procedures needed to coordinate the ongoing operations between the two entities. As appropriate, staff from both agencies will meet to resolve operational problems.

INFORMATION SHEET

Contractor shall complete this form (Attachment I) and return to San Bernardino County Department of Behavioral Health Contracts Unit within ten (10) days of execution of this contract.

SECTION I: CONTRACTOR INFORMATION

Contractor Name:
Arrowhead Regional Medical Center

Address *(including City, State and Zip Code)*:
400 North Pepper Avenue, Colton, CA 92324-1817

Web Site:
http://www.co.san-bernardino.ca.us/armc/

Clinic Name *(If Different from Contractors)*:
Behavioral Health

Address *(including City, State and Zip Code)*:
Same as above

Web Site:
Same as above

Contract Signature Authority:

Name: Mark Uffer		Name:	
Title: Arrowhead Regional Medical Center Director		Title:	
Signature:		Signature:	
Phone #: (909) 580-6160	E-Mail: UFFERM@armc.sbcounty.gov	Phone #: ( )	E-Mail:

Claim Signature Authority:

Name: Edward S. Hibbard		Name:	
Title: Assoc. Hospital Administrator for Fiscal Services		Title:	
Signature:		Signature:	
Phone #: (909) 580-6175	E-Mail: HibbardE@armc.sbcounty.gov	Phone #: ( )	E-Mail:

SECTION II: DBH INFORMATION

Contract Mailing Address:

San Bernardino County
Department of Behavioral Health
Contracts Unit
700 East Gilbert Street, Bldg. # 3
San Bernardino, CA 92415-0920

Contracts Unit:

Myron Hilliard, Accounting Technician 909-387-7592
E-Mail: mhilliard@dbh.sbcounty.gov
Doug Moore, Staff Analyst II 909-387-7589
E-Mail: dmoore@dbh.sbcounty.gov
Patty Glas, Administrative Supervisor 909-387-7170
E-Mail: pglas@dbh.sbcounty.gov
Unit Fax #: 909-387-7593

DBH Program Contacts:

Operations: Terry Kramer Deputy Director of Clinical Services
Phone: 909-387-7787, Fax: 909-386-0738, Email:tkramer@dbh.sbcounty.gov

Funding: Claudia Rozzi, Deputy Director of Administrative Services
Phone: 909-387-7577, Fax: 909-387-7593, Email: crozzi@dbh.sbcounty.gov

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